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To ensure access to high-quality, patient-centered, cost-effective health care to Los Angeles County residents through direct services at DHS facilities and through collaboration with community and university partners.



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July 9, 2013

TO: Supervisor Mark Ridley-Thomas, Chairman
Supervisor Gloria Molina
Supervisor Don Knabe
Supervisor Zev Yaroslavsky
Supervisor Michael D. Antonovich

FROM: Mitchell H. Katz, M.D.
Director

SUBJECT: **ADVANCED NOTIFICATION OF SOLE SOURCE
AGREEMENT NEGOTIATIONS WITH NETSCOUT
SYSTEMS, INC.**

This is to advise the Board that within two weeks' time, the Department of Health Services (DHS) intends to enter into sole source agreement negotiations with NetScout Systems, Inc., (NetScout) for an integrated Information Technology (IT) network and application performance management solution for monitoring the DHS network infrastructure that supports patient care applications. Board Policy No. 5.100 requires written notice of a department's intent to enter into sole source negotiations for agreements over \$250,000.

Background

Under a Purchase Order (PO) issued by the Internal Services Department (ISD), NetScout currently provides nGenius InfiniStream, which is comprised of hardware and software based appliances that the DHS Network Operations team uses to monitor the global view of the department's critical network infrastructure links, applications, and mission critical servers throughout DHS facilities, Local Area Network (LAN) and Wide Area Network (WAN). The Netscout technology provides a detailed real time view of network traffic which enables network engineers to be proactive, instead of reactive with regards to anticipated network outages.

NetScout provides technology product maintenance services (maintenance services) for the nGenius InfiniStream hardware located throughout DHS facilities. Additional unique functionality includes monitoring and predictive performance-support of end user video conferencing and voice-over-internet-protocol services for the department. NetScout monitoring enables DHS to continue mission-

recordkeeping, and DHS enterprise communication without disruption. The PO currently covers both software licenses (commodity purchase) and maintenance services. DHS procured additional NetScout hardware and, as a result, the maintenance service costs have increased. ISD advised DHS that the increased maintenance service costs under the PO will exceed ISD's purchasing authority later this year and that a Board approved agreement was necessary. Although ISD has authority to issue POs for the software licenses, NetScout doesn't unbundle their offering and use separate agreements. Therefore, DHS plans to request Board approval for a sole source agreement for both the hardware maintenance as well as the software licenses.

NetScout is the market leader in unified service delivery management with over 25 years of experience delivering breakthrough packet-flow technology that provides trusted and comprehensive real-time network and application performance intelligence for the network, applications and users. These solutions enable IT staff to predict, preempt, and resolve network and service delivery problems while facilitating the optimization and capacity planning of the network infrastructure. NetScout solutions are deployed at more than 20,000 of the world's largest enterprises, government agencies, and more than 148 service providers, on over one million network segments to assure the network, applications, and service delivery to their users and customers.

Justification

The basis for the sole source determination is based on the fact that NetScout is an Original Equipment Manufacturer (OEM) and is the sole provider of hardware replacement product for hardware installed throughout DHS facilities. There is no available replacement products (hardware and software appliances) when these products need to be replaced.

DHS will proceed with sole source NetScout negotiations within two weeks from the date of this memo unless the Department is instructed otherwise by the Board.

If you have any questions, please let me know.

MHK:kh

c: Chief Executive Office
County Counsel
Executive Office, Board of Supervisors
Internal Services Department